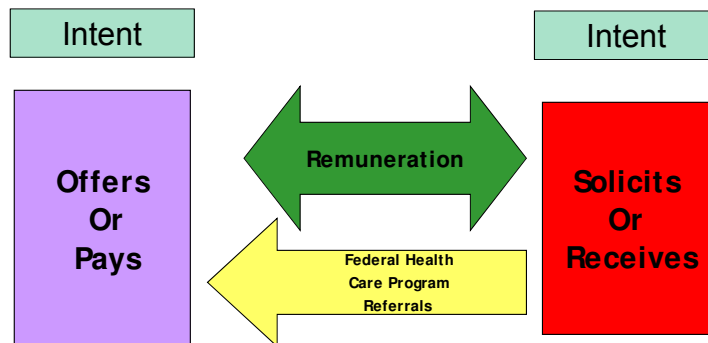


# Fraud and Abuse, Stark Law, and HIPAA Privacy

Presented by: Violet Anderson  
Regional General Counsel, CHRISTUS Health  
Wednesday, April 5, 2016



## Anti-Kickback Law



- Cannot intentionally offer, pay, solicit or receive remuneration for federal health care program referrals.
- Safe harbor transactions are protected.  
Penalties: \$25,000 fine and 5 years prison



## Payments and Offers of Payment

- Statute limits in healthcare what may be appropriate in other industries
- Statute concerns payments or offers of payment (cash or in kind) for items or services reimbursed by Federal health care programs (Medicare and Medicaid)
- Not limited to cash payment (areas of concern also include leasing, purchasing, and ordering)

3



## Liability

- Liability is determined separately for each party
- Criminal penalties
- Civil monetary penalties
- Exclusions from Federal health care programs
- Because compliance with the AKS is a CONDITION for payment under Medicare and other health care programs, LIABILITY MAY ARISE UNDER THE FALSE CLAIMS ACT where an AKB violation results in payment under a Federal healthcare program

4



## Party's Intent

- Liability turns on a party's INTENT, but it's possible to identify ARRANGEMENTS OR PRACTICES THAT PRESENT SIGNIFICANT POTENTIAL FOR ABUSE
- ASK TWO QUESTIONS
- 1. Does a remunerative relationship exist with an entity that can generate Federal healthcare business?
- (For example, a hospital or its affiliate and a physician, clinic, ambulance company, home health agency, or a nursing home)

5



## Party's Intent

- 2. With respect to the remunerative relationship, could ONE PURPOSE be to induce or reward the referral or recommendation of business payable in part by a Federal health care program?
- IMPORTANT: NEITHER A LEGITIMATE BUSINESS PURPOSE NOR A FAIR MARKET VALUE PAYMENT WILL LEGITIMIZE THE PAYMENT IF THERE IS ALSO AN ILLEGAL PURPOSE

6



Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Fraud and Abuse, Stark Law, and HIPAA Privacy

Also available as part of the eCourse

[2017 Health Law eConference](#)

First appeared as part of the conference materials for the

29<sup>th</sup> Annual Health Law Conference session

"Health Law Fundamentals"